



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2501 (1951)

March 20, 1992

SUBJECT: Calculating the Average Holding Period
for Farmer Programs Properties

TO: State Directors, District Directors,
and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) clarifies paragraph (A)(3) of Exhibit I of FmHA Instruction 1951-S. The purpose of this AN is to provide guidance on calculating the average holding period for Farmer Programs inventory property. The intent of this AN is to remove inventory properties involved in litigation and also remove leased inventory properties from the pool of suitable properties when calculating the average holding period.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 2340(1951) entitled "Calculating the Average Holding Period for Farmer Programs Properties," dated August 1, 1991.

IMPLEMENTATION RESPONSIBILITIES:

The "average holding period" for suitable farm inventory property will be calculated from Report Code 597, "Farmer Programs Inventory" as follows:

1. The average holding period for individual states will be calculated from Report Code 597 issued in July each year.
2. All sold properties will be excluded and only properties currently in inventory will be considered.

EXPIRATION DATE: February 28, 1993

FILING INSTRUCTIONS
Preceding FmHA
Instruction 1951-S



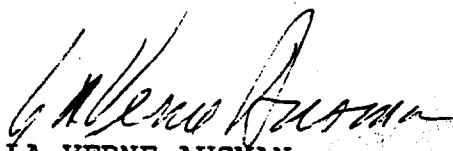
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3. The holding period will begin when FmHA acquires title to the property.
4. All properties involved in litigation will be excluded from the calculation.
5. All leased properties will be excluded from the calculation.
6. Properties currently in inventory that were previously leased will have the lease period deducted from the total months held.

Section 1951.909 (f)(2) of FmHA Instruction 1951-S states "...State Directors will consult with State Directors of adjoining States, other lenders, real estate agents, auctioneers, and others to gather and analyze the information specified in this subpart." The information gathered during these consultations should be well documented in the State Office operational files.

"ANY REVISIONS OR MODIFICATIONS TO THIS AN THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR OF FARMER PROGRAMS, BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH THE STATE LAW."

If you have any questions, please contact David R. Spillman of Farmer Programs Loan Servicing and Property Management Division, at 690-4012.



LA VERNE AUSMAN
Administrator

Sent by Time Delay Option to States at 4:00 p.m. on 3/24/92; to Districts at 8:00 a.m. on 3/25/92; and Counties at 10:00 a.m. on 3/25/92 by GSS.